

Message Text

PAGE 01 MOSCOW 11069 01 OF 02 131654Z

42

ACTION CU-03

INFO OCT-01 EUR-12 ISO-00 L-03 SP-02 ABF-01 OMB-01 TRSE-00

OES-06 NSF-01 EB-07 VO-03 SCA-01 SS-15 /056 W

----- 125800

R 131527Z JUL 76

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 6322

USIA WASHDC

INFO AMCONSUL LENINGRAD

LIMITED OFFICIAL USE SECTION 1 OF 2 MOSCOW 11069

STATE FOR CU/EE, EUR/SOV, CU/ARTS; USIA FOR IEU;
LENINGRAD FOR P&C

E.O. 11652: N/A

TAGS: CVIS, OEXC, SCUL, UR, US

SUBJECT: 1977/79 EXCHANGE PROGRAM AGREEMENT

REF: (A) MOSCOW 1131, (B) MOSCOW 4156, (C) MOSCOW A-161,
(D) RICHMOND-BENSON OFFICIAL-INFORMAL OF 6/4/76
(E) POLANSKY-BENSON OFFICIAL-INFORMAL OF 7/2/76

1. SUMMARY. FOLLOWING MESSAGES COMBINES EMBASSY
COMMENTS ON MAIN ISSUES RAISED IN 1977-79 PROGRAM AGREEMENT
DRAFT (REFS D AND E) AND OUR VIEWS ON 1977 CU BUDGET
LEVEL WHICH MUST BE DETERMINED BEFORE DRAFT IS FORWARDED
TO SOVIETS. END SUMMARY.

2. 1977 CU BUDGET LEVEL--REF A OUTLINES EMBASSY'S
JUSTIFICATION AND RATIONALE FOR FY 77 BUDGET LEVEL OF
\$1.5 MILLION PROPOSED IN COUNTRY PLAN (REF C). AS
DEPT. REPORTS IT WILL ATTEMPT TO MEET THIS LEVEL (REF D)
FOR USSR, WE CAN ONLY EMPHASIZE IMPORTANCE OF CONTINUING
PRESENT MOMENTUM IN DEVELOPING SIGNIFICANT NEW EXCHANGES
WHILE NOT ALLOWING DAMAGING CUTBACKS ON PROGRAMS OF
PROVEN VALUE TO BOTH SIDES. SINCE PROGRAM TOTALLING
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 MOSCOW 11069 01 OF 02 131654Z

\$168,000 WERE DEFERRED FROM FY 76 BUDGET TO FY 77 AT
CU/EE REQUEST, IT IS ESSENTIAL THAT THESE PROGRAMS BEGIN
DURING COMING FISCAL YEAR, AS FURTHER DELAY WOULD INDEED
BE SETBACK FOR CURRENT EXCHANGE ATMOSPHERE AND FOR US

PREPARATIONS FOR 1977 CSCE REVIEW.

3. IREX BUDGET PROPORTION--EMBASSY'S UNDERSTANDING OF JANUARY '76 CU/IREX/EMBASSY BUDGET DISCUSSIONS WAS THAT ADDITIONAL INCREMENT FOR FY'76 WAS SPECIAL EMERGENCY MEASURE AND THAT IREX WOULD SEEK FUNDS FROM PRIVATE SOURCES FOR BROADENING OF PROGRAM INTO NEW FIELDS. WOULD APPRECIATE REPORT ON PROGRESS IN THIS DIRECTION. IT WAS NOT RPT NOT OUR UNDERSTANDING THAT IREX WOULD COME TO USG TO MAKE UP EQUIVALENT OF AMOUNT FORD FOUNDATION WILL CUT BACK EACH YEAR IN ITS PHASED REDUCTION. BASED ON CU REPORTS, WE ANTICIPATED IREX WOULD REQUIRE APPROXIMATELY 830,000 (REF C) FROM CU IN FY'77. WE ARE NOT ABLE TO ANALYZE IMPACT OF INFLATION FROM HERE, BUT ASSUME ANY INCREASE IN IREX BUDGET DUE TO THIS FACTOR WOULD BE CAREFULLY EXAMINED AND ACCOMMODATED AT LEAST IN PART BY INTERNAL BUDGET TIGHTENING. SHOULD IREX BE UNABLE TO ELICIT PRIVATE SECTOR SUPPORT FOR SOME NEW GRANT FIELDS, WE BELIEVE USG SHOULD BE PREPARED TO ACCEPT SOME SMALL REDUCTION IN TOTAL OF GRADUATE STUDENTS.

4. IREX-MHE PLACEMENT NEGOTIATIONS--SOVIET DESIRE TO EXPAND BASIC GS/YF ACADEMIC EXCHANGE AND US CONCERN WITH BUDGET LEVEL PROVIDE STRONG FOUNDATION FROM WHICH TO NEGOTIATE WITH SOVIETS ON IMPROVED PLACEMENT AND ACCESS FOR OUR SCHOLARS. THIS SPRING'S NEGOTIATIONS, IN WHICH US SIDE TOOK FIRM STAND, ARE EXPECTED TO RESULT IN FINAL FIGURE OF 45 OR 46 EXCHANGEES IN EACH DIRECTION, RATHER THAN TARGET OF 50, BECAUSE US HAD DECLINED INADEQUATE PLACEMENTS. WHILE MAJOR US PURPOSE WAS TO USE LEVERAGE TO GAIN IMPROVED PLACEMENT, FACT THAT WE ARE PREPARED TO PLACE LESS THAN 50 BOTH GIVES US NEGOTIATING ADVANTAGE AND REDUCES BUDGET WHEN 50 TARGET IS NOT MET. HOWEVER, IN FUTURE YEARS US SIDE MUST BE PREPARED TO FUND ENTIRE QUOTE SHOULD SATISFACTORY PLACEMENT BE ACCORDED BY SOVIETS. THE EMBASSY'S POSITION IS THAT IT IS BETTER TO REDUCE TOTAL BY SEEKING PROGRAM ADVANTAGES LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 03 MOSCOW 11069 01 OF 02 131654Z

THROUGH NEGOTIATIONS THAN TO REDUCE IT BY SHRINKING TARGET NUMBER IN AGREEMENT AT TIME SOVIETS WISH TO MAINTAIN OR EXPAND IT. IN ORDER TO GAIN FULL BUDGET ADVANTAGE OF ANY PLACEMENT SHORTFALL, IREX SUPPORT ARRANGEMENTS FOR AMERICANS MAY HAVE TO BE REVISED. EARLIER PLACEMENT NEGOTIATIONS MAY HELP MAKE THIS DIFFICULT CHANGE MORE PALATABLE.

5. SCIENCE/HUMANITIES BALANCE--PROGRESS HAS BEEN RECORDED IN ACHIEVING MORE EQUAL BALANCE IN LECTURER, SENIOR SCHOLAR, AND UNIVERSITY-TO-UNIVERSITY EXCHANGES, NOT TO SPEAK OF AMSPECS AND VOLUNTARY VISITOR PROGRAMS

OUTSIDE AGREEMENT. HOWEVER, EMBASSY BELIEVES SOVIETS WILL HOLD FIRMLY TO RIGHT OF SENDING SIDE TO CHOOSE FIELDS FOR GRADUATE STUDENTS AND YOUNG PROFESSORS GOING FOR ADVANCED TRAINING. OUR VIEWS ON APPROPRIATE US RESPONSE TO SOVIET SCIENCE EMPHASIS ARE DETAILED IN REF A. IN ADDITION WE EMPHASIZE THAT THE BEST WAY UP FOR AMBITIOUS YOUNG SOVIETS IS OFTEN THROUGH TECHNOLOGICAL TRAINING, AND TODAY'S LEADING EDUCATORS SUCH AS UNIVERSITY RECTORS AND DEANS WHO HAVE COOPERATED WITH US OFTEN HAVE RISEN TO THEIR POSITIONS FROM TECHNICAL BACKGROUNDS AND A CONSEQUENT STUDY OPPORTUNITY IN US. FURTHER, WE ARE CONCERNED WITH IMPACT ON US APPLICANTS IF 50/50 BALANCE WERE TO BE AGREED UPON: WHAT WOULD US DO IF SOVIETS INSISTED HALF OUR APPLICANTS BE IN SCIENCES? UNTIL IREX DRAWS

SCIENCE COMMUNITY MORE INTO PROGRAM, AS SUGGESTED BY EMBASSY TO IREX, NSF, AND CU, US IS NOT PREPARED TO RESPOND. EVEN THEN WE WOULD BE UNLIKELY TO HAVE 50 PERCENT SCIENCE APPLICANTS, NOR WOULD SUCH A HIGH PROPORTION BE DESIRABLE.

6. ENCOURAGING PRIVATE PROGRAMS--WE CONCUR WITH DEPT. THAT MOST FRUITFUL DIRECTION OF FUTURE EXPANSION IS DIRECT UNIVERSITY-TO-UNIVERSITY AGREEMENTS, WHICH CAN BE STIMULATED IN PART BY STARTER GRANTS AND OUR ASSISTANCE IN COORDINATION AND NEGOTIATIONS. NEVERTHELESS, WE BELIEVE THIS CANNOT BE AN EXCUSE FOR REDUCING THE EXISTING LEVEL OF OFFICIAL EXCHANGES. THESE FORM A FOUNDATION FOR THE EXCHANGE AGREEMENT WHICH EACH SIDE CAN USE TO MEET ITS LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 MOSCOW 11069 01 OF 02 131654Z

SPECIAL NEEDS AND WHICH IS APPORTIONED TO GRANTEES ON BASIS OF NATIONWIDE COMPETITION IN BOTH US AND USSR.

7. SOVIET PRIORITIES--WE DISAGREE WITH CU/EE CONTENTION (REF D, PARA 4) THAT REDUCTION IS BASIC GS/YF PROGRAM WOULD NOT THREATEN PROGRESS IN OTHER NEW FIELDS (LECTURERS, IV'S, SEMINARS, SPEAKERS). SOVIET PERFORMANCE ON THESE PROGRAMS HAS NOT SHOWN THEY HAVE AS MUCH COMMITMENT AS WE, AND WE BELIEVE WE GAIN MORE FROM THESE PROGRAMS THAN SOVIETS DO.

8. GRADUATE STUDENT/YOUNG PROFESSOR SPEARATION--DIVIDING THESE TWO CATEGORIES, AD DEPT'S DRAFT SUGGESTS, SEEMS LOGICAL IN THEORY, BUT WE WONDER IF IT WILL NOT PROVE TOO DIFFICULT TO ADMINISTER FAIRLY. WILL THE DETERMINED NUMBER BE FAIR AND REPRESENTATIVE OF PROPORTIONS OF AMERICAN APPLICANTS? WILL QUALITY BE LOWERED BY STRESSING YOUNGER, LESS EXPERIENCED STUDENTS WITHOUT STUDY PLANS AS WELL THOUGHT OUT AS ARE THOSE OF THE YOUNG PROFESSORS? WILL THE LIMITATIONS ON MORE

SENIOR YOUNG PEOPLE HARM OUR GOAL OF EXPANDING INTO NEW CONTEMPORARY FIELDS WHICH REQUIRE BOTH AREA AND PROFESSIONAL BACKGROUND? WE BELIEVE THAT PURELY ECONOMIC REASONS SHOULD NOT BE MAIN IMPETUS BEHIND CHANGE (REF D, PARA 5); IF SAVING HALF SALARIES IS OBJECT, PERHAPS IT WOULD BE BETTER TO REDUCE STIPEND. HAS IREX BOARD CONCURRED IN NEW PROPOSAL?

9. EXIT VISA--EMBASSY BELIEVES THIS ISSUE MUST BE TAKEN MORE SERIOUSLY THAN IMPLIED IN REF E COVERING LETTER (PAGE 3) REASONS HAVE BEEN EXPLICATED IN CORRESPONDENCE PREVIOUS TO EXCHANGE TALKS (REF B). ISSUE HAS BEEN PROPOSED FOR CONSULAR REVIEW TALKS, BUT PROSPECTS OF POSITIVE SOVIET RESPONSE APPEAR SLIGHT AS THERE IS NO LEVERAGE. IN ORDER TO ELICIT SOVIET ACTION, EMBASSY STRONGLY RECOMMENDS EXIT VISA PROVISION BE MADE INTEGRAL PART OF EXCHANGE AGREEMENT WITHOUT WHICH NEW PROGRAM WILL NOT BE SIGNED. WITH THIS PRESSURE APPLIED CAREFULLY, BELIEVE SOVIETS WILL AGREE TO EXIT VISAS FOR OFFICIAL EXCHANGES

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 11069 02 OF 02 131708Z

53

ACTION CU-03

INFO OCT-01 EUR-12 ISO-00 L-03 ABF-01 OMB-01 TRSE-00 SP-02

OES-06 NSF-01 EB-07 VO-03 SCA-01 SS-15 /056 W

----- 126040

R 131527Z JUL 76

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 6323

USIA WASHDC

INFO AMCONSUL LENINGRAD

LIMITED OFFICIAL USE SECTION 2 OF 2 MOSCOW 11069

STATE FOR CU/EE, EUR/SOV, CU/ARTS, USIA FOR IEU;
LENINGRAD FOR P&C

AND REMOVE THIS SERIOUS CAUSE OF TENSION AMONG EXCHANGEES. PRESENT LACK OF EXIT VISAS POSES POTENTIALLY MAJOR COMPLICATION SHOULD HEALTH OR PERSONAL PROBLEMS ARISE SUDDENLY, AS HAS HAPPENED.

10. GRADUATE STUDENT IN ARTS--AS LONG AS EXCHANGE QUOTAS ARE SO TIGHT, WE DOUBT FEASIBILITY OF RAISING THIS PROGRAM TO FIVE. THIS YEAR IT APPEARS THREE WILL BE EXCHANGED, AN INCREASE OF TWO OVER PAST YEARS. US SIDE THIS YEAR WAS ABLE TO NOMINATE ONLY THREE ACCEPTABLE

CANDIDATES, ONE OF WHICH WAS NOT OF TOP QUALITY.
REMAINDER OF US PANEL WAS WEAK. SOVIETS FOR THEIR PART
HAVE EVEN MORE DIFFICULTY RECRUITING APPROPRIATE CANDIDATES.
RECOMMEND THIS PROGRAM STAY AT TWO OR THREE LEVEL UNTIL
LARGER CONSTITUENCY IS DEMONSTRATED.

1.1. PERFORMING ARTS--AS STATED IN COMMUNICATIONS PRIOR
TO DECEMBER REVIEW TALKS AND IN COUNTRY PLAN, EMBASSY
BELIEVES TIMES HAVE CHANGED SUCH THAT USG PERFORMING ARTS
PROGRAM MUST CHANGE WITH THEM. COSTS HAVE RISEN TO LEVEL
WHERE LARGE GROUPS NOW COST MINIMUM OF QUARTER OF A
MILLION DOLLARS IN USG FUNDING. IN EMBASSY'S VIEW, THIS
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 MOSCOW 11069 02 OF 02 131708Z

LEVEL CAN NO LONGER BE JUSTIFIED BY THE RESULTS.
SOVIET AUDIENCES ARE MORE SOPHISTICATED AND FAMILIAR WITH
WESTERN PRODUCTIONS, AND TRANSPORTATION PROBLEMS STILL
PREVENT LARGER GROUPS FROM TRAVELLING TO LESSER CITIES
EVEN IF THAT WERE APPROPRIATE IN TERMS OF AUDIENCE. THE
NEED NOW IS FOR DEEPER RELATIONSHIPS TO BE
ENCOURAGED BETWEEN YOUNGER SOVIETS EMERGING AS LEADERW
IN THEATER, MUSIC, AND TO SOME EXTENT DANCE AND THEIR
AMERICAN COUNTERPARTS. AS DESCRIBED TO CU/ARTS DIRECTOR
DURING HIS SPRING VISIT, THIS CAN BE DONE BY BRINGING
CORE AMERICAN ARTISTIC GROUPS TO THE USSR TO DEVELOP
CO-PRODUCTIONS. THIS MEANS EXCHANGING DIRECTORS, LEAD-
ING ARTISTS, DESIGNERS, AND OTHER KEY PERSONS TO WORK
WITH SOVIET GROUPS AND LEAVE BEHIND MORE THAN AN EPHEMERAL
IMPRESSION. COSTS, UNDER THIS CONCEPT, WOULD BE
GREATLY REDUCED AND THE IMPACT ON SOVIET ARTISTIC COMMUNITY
WOULD BE GREATER. MINICULT IS FAVORABLE TO IDEA, AS
HAS BEEN REPORTED TO CUA/ARTS. THIS IS NOT TO SAY COMPLETE
PERFORMING GROUPS WOULD NOT COME HERE IN FUTURE, BUT
WE SEE OPTIMUM NUMBER OF PAG'S AS TWO PER YEAR FOR NEXT
THREE YEARS, INCLUDING CO-PRODUCTIONS WHICH CAN BE
DEVELOPED. THIS APPROACH WOULD PERMIT MUCH GREATER
QUALITY CONTROL AND ATTENTION TO LONG-RANGE EFFECT.
EMBASSY RECOMMENDS IN STRONGEST TERMS THAT FUNDS
SAVED BY REDUCING PAG'S BE SHIFTED TO MAJOR NEW EXCHANGES
NEEDS OF PROGRAMS DISCUSSED IN ABOVE PARAGRAPHS. WE
ALSO WISH TO SHIFT EMBASSY SUPPORT RESOURCES TO THE
MANY NEW PROGRAMS WHICH HAVE DEVELOPED OVER PAST
THREE YEARS. WE CANNOT CONCUR WITH "AT LEAST TEN"
APPROACH, WHICH IS CHANGE FROM OUR DRAFT (REF B).

12. FILM FESTIVALS--EMBASSY NOT CONVINCED KENNAN
INSTITUTE IS AT ALL WILLING SPONSOR SOVIET FILM WEEKS/
SEMINARS IN SUCH A WAY AS TO OBLIGATE SOVIET CO-SPONSORS
TO AFFORD EMBASSY EQUAL ORGANIZATIONAL SUPPORT IN USSR.
IN FACT, USIA'S 6049 AND LATER BENSON/STARR DISCUSSION
IN MOSCOW POINT TO RATHER OPPOSITE CONCLUSION. ON

QUESTION YERMASH'S AGREEING TO SENDING-SIDE-PAYS FORMULA,
EMBASSY'S EARLY OPTIMISM, BASED ON DISCUSSIONS AT
AMBASSADOR'S RECEPTION HONORING "BLUE BIRD" PREMIERE,
CONSIDERABLY TEMPERED, AS FURTHER DISCUSSIONS REVEAL
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 MOSCOW 11069 02 OF 02 131708Z

GOSKINO UNWILLINGNESS AGREE TO THIS PRINCIPLE WITHOUT
FURTHER TALKS, WHICH COONTINUE TO BE DELAYED, AS THEIR MAJOR
OFFICIALS "FALL ILL" SERIATIM.

13. FOLLOWING REASONING OUTLINED ABOVE, EMBASSY RECOMMENDS
THESE CHANGES IN DEPT'S DRAFT:

A. SECTION I. 1. A. REVISE SEPARATION OF GRADUATE
STUDENTS/YOUNG PROFESSORS. CONSIDER COMBINING ALL THREE
CATEGORIES (SS/YF/SENIOR) IN MAN/MONTH FORMULAS AS SUGGESTED
OUR DRAFT, WITH DIFFERENT STIPENDS TO EACH LEVEL OF GRANTEE
APPROPRIATE TO HIS CAREER STATUS (GS/YF/SENIOR).
ELIMINATE 50/50 PROVISION.

B. SECTION I. 1. E. REDUCE TO "AT LEAST 3."

C. SECTION II. 1. REDUCE TO "AT LEAST SIX."

D. SECTION II. 2. ADD LANGUAGE "...AGREE TO
ENCOURAGE AND FACILITATE."

E. SECTION III. 1. AGREE WITH SUGGESTED CHANGE.

F. SECTION IV. 1. B. AGREE WITH SUGGESTED CHANGE.

G. SECTION V (NEW). AGREE WITH YOUR TEXT
PROVIDED PARA THREE IS EXTENDED BY FOLLOWING PHRASE:
"... , ON A SENDING-SIDE-PAYS BASIS."

H. SECTION VI. ADD LANGUAGE, AS RECOMMENDED IN
OUR DRAFT, "ENTRY/EXIT VISAS WILL BE ISSUED TO
APPROVED EXCHANGE VISITORS."

MATLOCK

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 15 SEP 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FUND ALLOTMENT, CULTURAL EXCHANGE AGREEMENTS, VISAS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MOSCOW11069
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D760269-0970
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197607110/baaaesvz.tel
Line Count: 316
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ACTION CU
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAY 2004 by ElyME>; APPROVED <07 SEP 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 1977/79 EXCHANGE PROGRAM AGREEMENT
TAGS: CVIS, OEXC, SCUL, UR, US
To: STATE
USIA INFO LENINGRAD
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006